

Message Text

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PAGE 01 ZAGREB 01096 110717Z

21

ACTION XMB-04

INFO OCT-01 EUR-12 ISO-00 EB-07 AID-05 TRSE-00 COME-00

CIAE-00 INR-07 NSAE-00 RSC-01 /037 W

----- 021311

R 061528Z DEC 74

FM AMCONSUL ZAGREB

TO SECSTATE WASHDC 2852

INFO AMEMBASSY BELGRADE

UNCLAS ZAGREB 1096

FOR EXPORT IMPORT BANK

E.O. 11652: N/A

TAGS: BPRO, YO

SUBJECT: EXIM BANK GUARANTEE FOR SALE OF HARD ROCK BORER TO
KONSTRUKTOR

REF: STATE 256758

1. KONSTRUKTOR IS LARGE CONSTRUCTION FIRM, EMPLOYING 2,200 WORKERS. IN ACCORDANCE WITH YUGOSLAV ECONOMIC SYSTEM, KONSTRUKTOR IS A "SOCIALLY OWNED," SELF-MANAGED ENTERPRISE. FOUNDED IN 1945, KONSTRUKTOR SPECIALIZES IN LARGE PROJECTS SUCH AS TUNNELS, HYDROELECTRIC POWER STATIONS, AND INDUSTRIAL PLANTS. FIRM HANDLES BOTH DESIGN AND CONSTRUCTION WORK. APPROXIMATELY 50 PER CENT OF ITS BUSINESS IS DONE OUTSIDE YUGOSLAVIA, CHIEFLY IN UNDERDEVELOPED COUNTRIES. MORE THAN 780 PER CENT OF ITS EQUIPMENT IS OF US ORIGIN, PURCHASED FROM SUCH FIRMS AS GENERAL ELECTRIC, EMCO, AND CATERPILLAR.

2. ALTHOUGH MAJORITY OF ECONOMIC ACTIVITY IN YUGOSLAVIA IS CARRIED OUT BY INDEPENDENT ENTERPRISES, MANY LARGE PROJECTS HANDLED BY KONSTRUKTOR ARE PART OF GOVERNMENT DEVELOPMENT PLANS. GOVERNMENT ALSO COUNTS ON ACTIVITIES OF YUGOSLAV FIRMS ABROAD AS IMPORTANT SOURCE OF FOREIGN EXCHANGE.

3. IN 1973, KONSTRUKTOR'S GROSS INCOME WAS APPROXIMATELY DOLS 15 MILLION. FIRM EXPECTS 1974 INCOME TO INCREASE BY
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ABOUT 20 PER CENT. PUBLISHED FINANCIAL DATA NOT AVAILABLE.

4. POST IS AWARE OF NO POLITICAL OR OTHER REASON WHY EXIM
BANK SHOULD NOT FAVORABLY CONSIDER REQUEST.

KAISER

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NNN

Message Attributes

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Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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